

#### State of Utah

### Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.

GARY R. HERBERT Lieutenant Governor

August 28, 2006

Brad Wilson Far West Bank Commercial Lending 201 E Center Street Provo, Utah 84606

Subject:

Presentation of Letter of Credit Sight Draft, Number

Bryce Haas, B &

C Limestone Quarry, M/039/013, Sanpete County, Utah

Dear Mr. Wilson:

Pursuant to terms of the Letter of Credit number 3, item four, enclosed are Exhibit A Sight Draft to Letter of Credit and attached Exhibit B certificate. The Division expects a cashiers check, in the amount of \$36,000.00 will be mailed to the Division within two days of receipt of this letter.

If you have specific questions or require discussion regarding the content of this letter, please contact Assistant Attorney General, Steve Alder at (801) 538-5348 or myself (801) 538-5258.

Sincerely,

Susan M. White

Mine Program Coordinator Minerals Regulatory Program

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SMW:vs

cc: Steve Alder, State Attorney General Office

John Baza, DOGM Mary Ann Wright, DOGM Daron Haddock, DOGM Beth Ericksen, DOGM

P:\GROUPS\MINERALS\WP\M039-Sanpete\m0390013-BandCLimestone\final\sight draft.doc



# State f Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA Division Director

### **EXHIBIT A - SIGHT DRAFT**

to
Letter of Credit Number 015413040

August 28, 2006	Salt Lake City, Salt Lake County	
Date	City, County	Letter of Credit No.

PAY TO THE ORDER OF: Utah Division of Oil, Gas and Mining,

Thirty-six Thousand and no one hundred

DOLLARS (\$36,000.00)

TO: Far West Bank

201 East Center Street Provo, Utah 84606

> Utah Division of Oil, Gas and Mining 1594 West North Temple Suite 1210 Box 145801 Salt Lake City, Utah 84114-5801

John R. Baza, Director

**Authorized Officer** 



## State f Utah DEPARTMENT OF NATURAL RESOURCES Division of Oil, Gas & Mining

MICHAEL R. STYLER Executive Director JOHN R. BAZA
Division Director

### EXHIBIT B to Letter of Credit Number 015413040

John R. Baza a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certifies that (1) the drawing in the amount of \$36,000, by sight draft accompanying this certificate, under Letter of Credit No dated August 6, 2001 issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount, and (4) the amount to be drawn is necessary to assure or complete reclamation of the B&C Limestone(name of mining project), number M/039/013 (permit number) in accordance with applicable law.

The Utah Division of Oil, Gas and Mining

John L. Baza, Director

By: 1000

Authorized Officer

Date 8-28-06



Letter of Credit No. Date: 08-06-01

UTAH DIVISION OF OIL, GAS AND MINING 1594 West North Temple Suite 1210 Box 145801 Salt Lake City, UT 84114-5801 RECEIVED

SEP 2 n 2001

DIVISION OF OIL, GAS AND MINING

#### Gentlemen and Ladies:

- 1. Far West Bank ("Surety") of Provo, Utah hereby establishes this irrevocable letter of credit ("the Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") for an aggregate amount not exceed \$36,000.00 in United States dollars ("Face Amount") effective immediately.
- 2. This Letter of Credit will expire upon the first event set forth as follows: (a) 5:00 o'clock p.m. (Salt Lake City time) on <u>08-30-03</u> or (b) the upon date which sufficient documents are executed by the Division to release <u>Bryce Haas</u> from further liability for reclamation of the <u>B</u> & C Limestone Mine, <u>M-039-013</u> with notice to Bank or Surety by the Division accompanied by the original Letter of Credit with directions for cancellation.
- 3. This Letter of Credit will be automatically extended for successive periods of one year from the current or any future expiration date unless the surety gives notice to the Division 90 days prior to the expiration date that the Surety elects not to renew the Letter of Credit.
- 4. Funds under the Letter of Credit are available against the Division's sight draft, in the form of Exhibit A, specifying Letter of Credit No. \_\_\_delivered to the office of the Surety, Far West Bank 201 East Center St. Provo Utah, 84606. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, signed by a duly authorized representative of the Division.
- 5. If the Surety receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the expiation or termination of this Letter of Credit, the Surety will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business, Salt Lake City time, on the second business day following the surety's receipt of the sight draft and cerificate and in such a manner as the Division may specify.
- 6. The Surety will give prompt notice to the Operator and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Surety, or alleging any

violations of regulatory requirements which could result in suspension or revocation of the Surety's charter or license to do business.

- 7. The Letter of Credit will be governed by the laws of the State of Utah and shall be subject to the Uniform Customs and Practice for Documentary Credit, 1993 revision, International Chamber of Commerce Publication No. 500, as the same may be amended and in effect from time to time ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.
- 8. All communications regarding this Letter of Credit will be addressed to the Surety Far West Bank 201 East Center, Provo Utah, 84606, referencing Letter of Credit No.

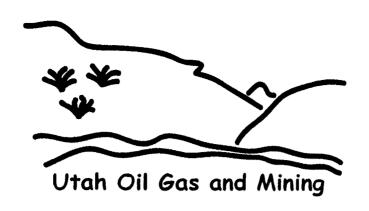
Very Truly Yours,

Far West Bank
The Surety/ or Bank

By: H Don Norton

(Authorized Signature)

Title: President & CEO



### **AUTHORIZED SIGNATURES**

AGENCY 560 - Dept. of Natural Resources Division Oil, Gas and Mining

Org(s) 2000 to 2999 and 9150 to 9199

AUTHORIZED PERSON		DOCUMENTS AUTHORIZED TO SIGN
NAME	SIGNATURE	ALPHA CHARACTER FROM LIST
JOHN R. BAZA	John Bon	Α
MARY ANN WRIGHT	Min Dry M	Α
GIL HUNT	etie (f)	Α
PAULA DUPIN-ZAHN	Paula Dupin-Zalm	B, C, D, E, G, H, I
JILL E. MARRIOTT	Jel Marrott	B, C, D, E, G, H, I
ROSE NOLTON	hose notton	B, C, D, E, G, H, I
MARK R. MESCH	June Just	B, C, D, E, G, H, I
STEVEN SCHNEIDER	Muent homesells	B, C, D, E, G, H, I
VICTORIA BAILEY	Victoria Kaily	B, C, I

- A. All Documents
- B. Agency Purchase Orders
- C. Petty Cash Reimbursement Requests
- D. Travel and Employee Reimbursements
- E. Out of State Travel Authorization
- F. Notice of Personnel Action
- G. Contracts, Amendments and Agreements
- H. Payroll Report Sign Off
- I. Pick up Payroll Checks

APPROVED BY:

RECTOR OF OIL, GAS AND MINING

DATE AUTHORIZED:

4/13/2006